US demand growth for food and beverage hydrocolloids will be supported by:
• wider trends in the food and beverage markets, including “all-natural” and “clean label” preferences
• growth in food and beverage production, particularly in processed and fortified foods and beverages, where hydrocolloids help provide appealing texture and maintain product stability
• increasing use of blends, which will influence product mix in the food and beverage hydrocolloid market

Major applications to provide strong opportunities for growth
Fortified products, such as energy drinks and protein fortified milk, will offer some of the best growth opportunities. Other strong gains will be in free-from products -- fat-free, gluten-free, vegetarian meat substitutes -- where the characteristics imparted by hydrocolloids are necessary to replace those of the removed ingredients such as binding properties and a fat-like mouthfeel. Plant and seed gums and extracts will remain the largest product segment among food and beverage hydrocolloids. Dairy products will remain the largest food application, with over 20% of the hydrocolloids market in 2021.

Product availability to remain key
The use of hydrocolloids by the US food and beverage industry will provide a baseline of steady growth through 2021. Additional growth opportunities will be provided by the development of new applications; however, these will be influenced by factors that constrain the availability of hydrocolloid raw materials. In the past decade, these factors have included government programs to address crop sustainability, extreme weather, political unrest, and growing demand from the global food and beverage industry. These conditions are expected to affect the market going forward, restraining better growth in volume terms.

Pricing offers slower rate of growth
Unforeseen increases in demand from competing industries, market speculation, and raw material availability had an impact on the price of individual hydrocolloids between 2006 and 2016, in particular guar gum, pectin, and agar. Overall, average prices rose nearly 5% per year over the past decade. The forecast for further price increases through 2021 will result in continued feedstock limitations and production bottlenecks.

Study coverage
This Freedonia industry study presents historical demand data (2006, 2011, and 2016) and forecast (2021) by product class, including plant and seed gums and exudates (cellulosics, pectin, guar gum, locust bean gum, gum arabic), seaweed extracts (carrageenan, alginites, agar), and xanthan gum. The study also evaluates company market share and presents competitive analysis on US industry competitors including CP Kelco, DuPont, Dow, FMC, and Ashland.
Volume demand for plant and seed gums and extracts is forecast to post modest gains, growing 1.8% yearly through 2021 to just over 194 million pounds. Guar gum demand for food and beverage applications will recover following slowing oil production in the US and declining demand for guar gum in fracking fluid, as more guar gum becomes available for food and beverage applications, causing prices to moderate from the peak seen in 2012. However, further gains will be restrained by slowing growth in demand for locust bean gum, which will be impacted by limited feedstock supplies after several years of poor harvests.

In general, volume demand for plant and seed gums and extracts will be driven by:

- Growing demand from consumers for “all-natural,” organic, and non-GMO foods and beverages, which will benefit most of the food and beverage hydrocolloids
- Greater use of food and beverage hydrocolloid blends, which will widen opportunities for new uses of hydrocolloids in existing product resins

Restraining factors to impact plant and seed gums and extracts include:

- Maturity of the overall food and beverage markets in the US, which will restrain demand gains arising from strong growth in underlying applications
- Development of a limited number of new applications for plant and seed gums and extracts, due to the current extensive use of these products
- Volatility in feedstock supplies arising from poor weather, disease, or other factors.

This study can help you:

- Determine your market & sales potential
- Learn more about industry competitors
- Assess new products & technologies
- Identify firms to merge with or acquire
- Complement your research & planning
- Gather data for presentations
- Confirm your own internal data
- Make better business decisions
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Related Studies

Poultry Packaging Market in the US
US poultry packaging demand will rise 3.6% yearly to $4.3 billion in 2021. Consumer preference for easy meal preparation will help to raise gains for poultry packaging overall, while in the fresh poultry market, increased use of individual portion packaging has spurred demand for vacuum pouches. This study offers historical data plus forecasts for 2021 by product, market and application. The study assesses technologies used in poultry packaging, evaluates company market share and provides competitive analysis on industry participants.
#3503............. March 2017.............. $4900

Natural Polymers
US demand for natural polymers is forecast to rise at a 4.3 percent yearly rate through 2020. Growth will be stimulated by demand in the large food and beverage industry, while most product types will also benefit from strong demand in the medical market. However, a decline in oil and gas production will restrain overall natural polymer gains. The study provides historical data plus projections for 2020 and 2025 for demand by market and product. This study also assesses key market environment factors, evaluates company market share, and profiles US industry competitors.
#3415 .................. May 2016 ............... $5300

Pouches
Demand for pouches in the US will grow 4.4 percent annually through 2020 to $10.1 billion. Growth will be driven by the introduction of pouch packaging into new markets and the integration of high value features, such as resealable closures and spouts, in more mature markets. Stand-up pouches will remain the fastest growing type. This study analyzes the $8.2 billion US pouch market, with forecasts for 2020 and 2025 by product type, feature, market, and production method. The study also evaluates company market share and profiles industry players.
#3383............. February 2016 .............. $5400

Converted Flexible Packaging
US demand for converted flexible packaging will rise 3.3 percent annually to $20.7 billion in 2019. Pouches will experience above average gains, benefiting from the increased prevalence of value-added features. The nonfood packaging market will slightly outpace the dominant food packaging segment. This study analyzes the $17.5 billion US converted flexible packaging industry, with forecasts for 2019 and 2024 by material, product, and market. The study also considers market environment factors, evaluates company market share and profiles industry players.
#3333............. October 2015 ............... $5500

Freedonia’s methods

- Establishing consistent economic & market forecasts
- Using input/output ratios, flow charts & other economic methods to quantify data
- Employing in-house analysts who meet stringent quality standards
- Interviewing key industry participants, experts & end users
- Researching a proprietary database that includes trade publications, government reports & corporate literature

About The Freedonia Group

The Freedonia Group is a leading international industry market research company that provides its clients with information and analysis needed to make informed strategic decisions for their businesses. Studies help clients identify business opportunities, develop strategies, make investment decisions and evaluate opportunities and threats. Freedonia research is designed to deliver unbiased views and reliable outlooks to assist clients in making the right decisions. Freedonia capitalizes on the resources of its proprietary in-house research team of experienced economists, professional analysts, industry researchers and editorial groups. Freedonia covers a diverse group of industries throughout the United States and other world markets. Industries analyzed by Freedonia include:

- Automotive & Transport
- Chemicals
- Construction & Building Products
- Consumer Goods
- Energy & Petroleum
- Industrial Components
- Healthcare & Life Sciences
- Machinery & Equipment
- Metals, Minerals & Glass
- Packaging
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